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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - AUGUST 31, 2007

¶1. The following are brief items of interest compiled by Embassy Minsk.

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##### Civil Society

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#### ¶2. Several Demonstrations for Kozulin Release Banned

City authorities across Belarus have denied applications to demonstrate for the release of former presidential candidate Alexander Kozulin. Authorities have rejected 25 of nearly 50 applications so far, with the other applications still pending.

#### ¶3. Opposition Youth Fined for Leaflets

On August 24, the Minsk district court fined youth opposition activist Pavel Baranovsky 186,000 rubles (USD 90) for distributing opposition leaflets in central Minsk. Police arrested Baranovsky on July 24, and he was later sentenced to three days in jail on petty hooliganism charges. Baranovsky admitted his guilt, noting he was passing out leaflets because he wanted "Belarus to become a member of Europe".

#### 14. Police Detain Youths for Pro-Opposition Graffiti

On August 25, police in Nesvizh, Minsk Oblast, arrested four opposition affiliated youths for allegedly writing "Belarus is Sacred" on a fence. Authorities released one suspect, a minor, but detained the other three to await charges of petty hooliganism. A court later acquitted the three from those charges, though they are expected to face administrative charges of damaging a structure.

#### 15. Prominent Human Rights NGO Denied Registration

On August 24, the Ministry of Justice denied registration for human rights NGO Vyasna. Reasons cited by the Ministry include that the NGO has the same name as an organization liquidated in 2003, the group's charter contained numerous errors, including "vague statements of its activities and goals," misspelled names, wrong birthdates, and that 20 of the 69 founders had convictions for various felonies. Vyasna founder and lawyer Vladimir Labkovich expressed doubt any appeals would be fruitful, saying the denial was "politically motivated". The group submitted all the required paperwork for registration on July 23, and provided the Ministry with a copy of the UN Human Rights Committee's assertion that the NGO's liquidation was illegal.

#### 16. Monastery Conversion Suspended

Minsk authorities have suspended the conversion of a former Bernardine monastery into a hotel and entertainment center, but made no mention of any decision to return the monastery building to the Catholic community. Catholic religious organizations have made several appeals for its return. Belarusian Christian Democracy Party coordinator Pavel Nozdrya expressed satisfaction over the authorities' decision, and added that community's appeals yielded successful results. Since March 2007, Catholic community members and volunteers gathered over 20,000 signatures in support of return

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of the former monastery to the church.

#### 17. Six Parties Face Closure by Justice Ministry

On August 24, the Ministry of Justice issued official warnings to six registered opposition parties -- the Belarusian Popular Front, the Belarusian Social Democratic Party "Gramada," the Belarusian Social Sports Party, the Belarusian Environmental Party of Greens, and the Republican Party and the Social Democratic Party of People's Concord -- for failing to fulfill the requirement that all registered parties have chapters in Minsk and at least four other regional capitals. The Ministry announced that the parties will face closure if they fail to comply with the regulations. In response to these warnings, certain parties complained that while they had chapters in the regional capitals, these chapters lacked officially registered addresses due to stringent regulations that govern the location of party chapter headquarters.

#### 18. Police Disrupt Meeting with Outlawed Pastor in Gomel

On August 26, police broke up a meeting between civil society activists, members of the Belarusian Language Society, and Ernest Sabila, a pastor of the outlawed Belarusian Evangelical Church. The police broke into a house in Gomel which served as local chapter headquarters of the United Civic Party, claiming that a robbery suspect was thought to be inside. Once inside, the officers demanded identification from all present and detained several of the meeting's participants. The Gomel chapter of the United Civic Party has filed a complaint with the District Prosecutor's office regarding the intrusion.

#### 19. Police in Brest Briefly Detain Youth Activists

On August 26, police detained three youth activists in Brest for putting up fliers that called for the release of Pavel Severinets, an opposition leader recently sentenced to 15 days in prison. Police released the youths after making them write explanations of their activities and warning them that they could face minor civil

offence charges in relation to the incident.

#### ¶10. Supreme Court Dissolves Belarusian Green Party

On August 29, the Supreme Court of Belarus officially dissolved the Belarusian Environmental Party of Greens. The ruling is the result of a lawsuit brought against the party by the Ministry of Justice that stated that it did not fulfill regulations regarding its charter, number of chapters, and location of chapter headquarters. The party did not contest the lawsuit, having already decided in March 2007 to dissolve on its own.

#### ¶11. Two Polish Traffickers Arrested in Grodno

On August 29, Grodno police arrested two Polish citizens at a Belarusian border crossing in connection with trafficking women for sexual exploitation. The Poles rented an apartment in Grodno, and according to police reports, organized a contest to pick out three girls to be trafficked to their brothel in a Polish city of Sanok. One of the traffickers was reportedly a former police officer.

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Domestic Economy  
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#### ¶12. Beltransgaz to Expand Gas Storage Capacity

On August 27, the Belarusian gas monopoly Beltransgaz announced plans to construct a new natural gas storage facility in Mozyr. The facility will nearly double the monopoly's available storage capacity for gas, currently 660 million cubic meters, and greatly increase its daily output of natural gas, currently at 4 million cubic meters. Construction of the facility will begin in 2008, and will help Belarus avoid gas deficits during the winter peak as well as ensure a continuous supply of gas to Europe.

#### ¶13. Statistics Ministry Releases Potash Export Data

On August 27, the Statistics Ministry reported that the average price for Belarusian potash fertilizer in the first half of 2007 rose 8.5 percent from the year before to 276 dollars per ton. During the same period Belarus exported 2.157 million tons of potash, a 53.8 percent rise from the previous year. The largest importers of Belarusian potash in 2007 include China (529,000 tons), Brazil (369,000 tons), and the United States. (235,200 tons).

#### ¶14. Economics Ministry to Raise Ag Procurement Prices

On August 28, the Economics Ministry announced that, in response to the rising cost of energy and fertilizer, it will increase the procurement price for milk by 5 percent and the store price for milk by 2 percent. Prices for bread and vodka will also be increased by

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3 percent in the near future.

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International Trade  
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#### ¶15. American Investors to Launch Juice Production

Oscar Chemerinsky, the acting director of the International Finance Corporation's Agribusiness Department, told reporters on August 28 that the newly-established Detroit Belarus Juice Company will launch juice production in the city of Bobruysk before the end of the year. IFC will issue a USD 8 million loan, while Detroit Investments Group will provide USD 12 million to establish the facility. The producers plan to use mostly local inputs, and hope to increase consumption and reduce prices in Belarus' 8 million deciliter juice market. In 2002, the group established the Detroit Belarus Brewing Company, now Belarus' second largest brewery.

#### ¶16. Belarus Continues Negotiating Loan with Russia

Belarus' Vice-Premier Andrey Kobyakov has resumed talks with his

Russian counterpart Sergey Naryshkin on securing a USD 1.5 billion loan to mitigate higher Russian natural gas prices. An anonymous source in the Russian government alleges that the deal has been cleared on the political level, though certain technical issues remain. Russia insists on 8.5 percent interest and stocks in Belarusian companies as collateral.

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17. Quote of the Week  
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Belarusian writer Svetlana Aleksiyeovich on Belarus and Aleksandr Lukashenko:

"Belarus has socialism at its worst -- a veritable mixture of prison and kindergarten."

"We'll be paying back the gas debt, and as a result, everything will be sold, plundered and gobbled up by tycoons -- not by Belarusian, but by Russian tycoons. Lukashenko's goal is power and he will pay for it."

Stewart